

Message Text

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FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC IMMEDIATE 8698

AMEMBASSY MANILA IMMEDIATE

UNCLAS SECTION 1 OF 5 CANBERRA 5700

MANILA PLEASE PASS TO DEPUTY SECRETARY ROBINSON'S PARTY

E.O. 11652: N/A

TAGS: AS, US, EGEN, IN, NZ, ID, PT, EMIN, XP, MARR, PARM

SUBJECT: TRANSCRIPT OF DEPUTY SECRETARY ROBINSON'S AUG. 4
PRESS CONFERENCE IN CANBERRA

Q: UKOI RPPEKEN, AUSTRALIAN ASSOCIATED PRESS

THERE HAS BEEN CONSIDERABLE NOTICE OF THE RUSSIAN BUILD-
DAUP IN THE INDIAN OCEAN, AND RUSSIAN ACTIVITIES HAVE
SWITCHED TO THE PACIFIC. HAVE THE DISCUSSIONS IN YOUR
MEETING REFLECTED THIS CHANGE?

A: IT IS NO SECRET THAT THE SOVIET UNION IS MOVING
RAPIDLY TO DEVELOP A VERY COMPETENT AND FAR-RANGING
NAVAL MILITARY FORCE. WE ARE WELL AWARE OF THAT TREND
AND ARE DETERMINED THAT WE WILL MAINTAIN AN EQUIVALENCE
OF STRENGTH BOTH IN TERMS OF NUMBERS AND WE THINK WE WILL
CONTINUE TO DOMINATE IN TERMS OF QUALITY. IT DOES
INTRODUCE A NEW DIMENSION INTO THE PACIFIC, ONE THAT WE
ARE ALERT TO.

O. THE EFFORTS SO FAR IN THE PACIFIC TO
EXPAND THE SOVIET FLEET HAVE BEEN MORE LIMITED THAN WE
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MIGHT HAVE ANTICIPATED. IT IS PRIMARILY AT THIS STAGE

IN TERMS OF FISHING, AND COMMERCIAL AMBITIONGN BUT OBVIOUSLY THAT OFTEN PRECEDES THE DEVELOPMENT OF A MILITARY CAPABILITY. THERE IS A GROWING DESTABILIZATION, I SUPPOSE YOU COULD CALL IT, IN THE PACIFIC AREA AS A RESULT OF INDEPENDENCE OF NEW ISLAND GROUPS, THAT INTRODUCES A NEW DIMENSION, IN OUR FOREIGN RELATIONS, ONE THAT WE ARE ALL CONSCIOUS OF. MOST OF THESE NEW ISLAND GROUPS, NEWLY INDEPENDENT GROUPS ARE NOT ECONOMICALLY VIABLE UNITS, THEREFORE CANNOT SURVIVE WITHOUT ASSISTANCE. I THINK THAT INTRODUCES A VERY SIGNIFICANT CHALLENGE TO THE FREE WORLD, AND I THINK WE HAVE TO SERIOUSLY CONSIDER WAYS IN WHICH WE CAN CONTRIBUTE TO SOUND AND STABLE AND SUSTAINABLE GROWTH OF THE ISLANDS OF THE PACIFIC, NOT MERELY POURING IN MONEY TO BUY THEIR SUPPORT OR AFFECTION, BUT WITH SENSITIVITY TO THEIR NEEDS AND A RECOGNITION THAT ECONOMIC ASSISTANCE AIMED AT STRENGTHENING AND REINFORCING THEIR OWN CAPACITY TO DEVELOP IS IMPORTANT AND I DON'T THINK IT'S ANY SECRET THAT IF WE DON'T, THERE ARE GOING TO BE OTHERS WHO WILL BE PREPARMXHK ABSORB THAT BURDEN FOR OBJECTIVES THAT ARE POLITICAL AND PERHAPS MILITARY. OBVIOUSLY AS WE DISCUSS WAYS IN WHICH AUSTRALIA, NEW ZEALAND AND THE UNITED STATES CAN SHARE IN CONTRIBUTING TO STABILITY AND PEACE OF THE SOUTH-WEST PACIFIC WE HAVE TO ADDRESS THIS QUESTION AND WE HAVE DONE THAT IN THE PAST TWO DAYS.

Q: ANDREW KRUGER, SYDNEY MORNING HERALD:
DOES THE UNITED STATES REGARD AS IMPORTANT IN A STRATEGIC SENSE, RELATIONSHIPS WITH INDONESIA AND COULD AUSTRALIA'S RECENT CRITICISM OF INDONESIA FOR ITS MILITARY TAKEOVER OF EAST TIMOR JEOPARDIZE THAT RELATIONSHIP?

A: WE CONSIDER INDONESIA VERY IMPORTANT IN BOTH POLITICAL AND IN ECONOMIC TERMS - A MAJOR SUPPLIER OF OIL, AN EXPANDING POPULATION, AN IMPORTANT ELEMENT IN THE ASEAN GROUP - THE ASSOCIATION OF THE SOUTH-EAST ASIAN NATIONS - AND WE FEEL IT IS IN OUR INTEREST AND THE INTERESTS OF THE FREE WORLD TO SUPPORT INDONESIA IN THEIR BATTLE TO DEAL WITH VERY CRITICAL POPULATION AND ECONOMIC
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PROBLEMS. THE QUESTION OF TIMOR IS ONE THAT CAN BE DEBATED. OBVIOUSLY YOU ARE MORE SENSITIVE TO WHAT WENT ON IN TIMOR DUE TO THE PROXIMITY OF TIMOR TO AUSTRALIA, WE DO NOT CONDONE ARBITRARY AGGRESSIVE ACTION HOWEVER, AND WE CERTAINLY UNDERSTAND YOUR REACTION BUT I CAN ASSURE YOU THAT FROM THE STAND POINT OF THE U.S. GOVERNMENT, WE DO NOT SEE THAT THE RATHER MODERATE CRITICISM THAT WAS EXTENDED FROM ASUTRALIA APPLIED TO INDONESIA WILL IN ANY

WAY AFFECT YOUR RELATIONSHIP WITH INDONESIA IN THE LONG
RUN, NOR OUR RELATIONSHIP WITH YOU.

Q: KEN RANDAL FROM FINANCIAL TIMES:

I THOUGHT IT WAS QUITE STRIKING TODAY THAT THE OVER-
WHELMING EMPHASIS OF YOUR ADDRESS WAS ON ECONOMIC
QUESTIONS, WHICH IS NOT THE PRIMARY EMPHASIS OF THE
ANZUS TREATY. I WONDER IF I COULD ASK YOU TWO THINGS
WHICH SEEM TO ARISE FROM THAT. FIRST WHETHER OR NOT
THE U.S. BEGINS TO SEE ANZUS MORE, OR A NEED FOR ANZUS
TO REFLECT MORE THE ECONOMIC ISSUES WHICH COME TO
ATTRACT SO MUCH ATTENTION OF THE THREE PARTNERS IN THE
TREATY, AN SECONDLY, PERHAPS MORE SPECIFICALLY, YOU
MENTIONED THE
NEED TO BE PREPARED TO ADOPT MEASURES TO
ENSURE
MORE EFFECTIVE FUNCTIONING OF THE MARKET SYSTEM TO

SERVE NATIONAL, REGIONAL AND GLOBAL INTERESTS.
WHAT'S THE CURRENT STATE OF AMERICAN THINKING ABOUT
SUCH ORGANIZATIONS AS WE'VE BEEN INVOLVED IN SUCH AS
THE IRON-ORE MARKETING ASSOCIATION, I THIDEA OF URANIUM
CONSORTIA, FOR MARKET, THOSE SORT OF CONTROL MECHANISMS
WHICH OBVIOUSLY DO, AS YOU PUTIT, INTERFERE WITH
ADAM SMITH'S INVISIBLE HAND?

A: MY EMPHASIS ON ECONOMICS MAY BE ATTRIBUTED TO MY
BACKGROUND, MY PREVIOUS RESPONSIBILITY AS UNDER SECRETARY
FOR ECONOMIC AFFAIRS. AS DEPUTY SECRETARY I AM NOW
ALTER EGO TO THE SECRETARY. I WORK CLOSELY WITH
SECRETARY KISSINGER ON A BROAD, FULL RANGE OF OUR
RELATIONSHIPS WITH THE REST OF THE WORLD, BUT I HAVE
DEVELOPED A VERY FIRM CONVICTION THAT THE REALITY OF
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INTERDEPENDENCE IS ONE THAT WE MUST ACCEPT. WITH
INTERDEPENDENCE COMES AN INCREASING INVOLVEMENT OF
GOVERNMENTS IN WHAT HAS BEEN TRADITIONALLY COMMERCIAL

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FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC IMMEDIATE 8699

AMEMBASSY MANILA IMMEDIATE

UNCLAS SECTION 2 OF 5 CANBERRA 5700

MANILA PLEASE PASS TO DEPUTY SECRETARY ROBINSON'S PARTY

OR FREE ENTERPRISE AREAS THAT NATIONAL INTERESTS AND REGIONAL INTERESTS DICTATE GOVERNMENTAL INVOLVEMENT AND WITH THAT COMES A BASIC CHANGE IN THE WAY THAT BUSINESS AND PRIVATE SECTOR MUST REACT TO EACH OTHER. WITH THIS CHANGE WITH INCREASING GOVERNMENTAL INVOLVEMENT IN OUR ECONOMIC RELATIONS WE HAVE VERY RAPIDLY BLURRED THE DISTINCTION BETWEEN WHAT IS POLITICAL AND WHAT IS ECONOMIC. WE WERE PRIMARY MOVERS FOR AN ECONOMIC SUMMIT MEETING OF LEADING INDUSTRIALIZED NATIONS OF THE WORLD AT RAMBOUILLET LAST NOVEMBER AND AT PUERTO RICO MORE RECENTLY AND THAT BROUGHT TOGETHER THE HEADS OF STATE OF SIX AND AT THE MOST RECENT MEETING SEVEN OF THE LEADING INDUSTRIALIZED NATIONS WHO SPENT TWO DAYS DISCUSSING ECONOMIC ISSUES AND THEY DID THAT BECAUSE THEY WERE POLITICAL ISSUES; THAT THE ECONOMIC PROBLEMS THAT WE ALL FACE THROUGHOUT THE WORLD WHETHER ITS IN ENERGY, WHETHER ITS IN THE QUESTION OF INFLATION, RECESSION, UNEMPLOYMENT, ARE TRULY POLITICAL PROBLEMS TO WHICH THE LEADERS OF THE WORLD ARE PREPARED TO ADDRESS THEIR TIME AND ATTENTION. SO THAT TODAY, ECONOMIC ISSUES, POLITICAL ISSUES, ARE SO INTERTWINED THAT WE CANNOT UNCLASSIFIED

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REALLY EFFECTIVELY DISTINGUISH BETWEEN THE TWO. ANZUS WAS BORN IN AN AIR OF UNCERTAINTY IN WHICH MILITARY CONSIDERATIONS AND THREAT TO SURVIVAL WERE PARAMOUNT. BUT OVER THAT 25 YEARS HAS COME A FUNDAMENTAL CHANGE IN THE WAY IN WHICH WE RELATE STRATEGICALLY AND ECONOMICALLY, AS I SAY, THE INTERTWINING HAS

BROUGHT THEM TOGETHER, SO THAT TODAY IN THE MEETINGS THAT WE HAVE HAD OVER THE LAST TWO DAYS, IT IS VERY CLEAR THAT THE ECONOMIC ISSUES MUST BE ADDRESSED IF WE ARE GOING TO DEAL EFFECTIVELY WITH POLITICAL OR STRATEGIC ISSUES. LET ME GIVE ONE EXAMPLE: NUCLEAR PROLIFERATION. WE HAVE SPENT SOME TIME TALKING ABOUT IT TODAY AND THE U.S. IS TAKING A LEAD AND INTENDS TO CONTINUE TO TAKE THE LEAD IN TRYING TO BRING ABOUT A BETTER UNDERSTANDING OF THE THREAT OF NUCLEAR PROLIFERATION AND WHAT IT MEANS. AND THE BASIC THESIS, THE BASIC RATIONALE IN WHICH WE ARE UNDERTAKING THIS EFFORT IS THAT COMMERCIAL COMPETITION IN THE SALE OF NUCLEAR FACILITIES AND EQUIPMENT IS LEADING US DOWN A VERY DANGEROUS PATH AND UNLESS WE GET THE POLITICAL WILL AT THE TOP TO RESTRAIN THIS COMMERCIAL COMPETITION, WE ARE HEADED FOR A VERY SERIOUS, INCREASINGLY SERIOUS PROBLEM. HERE AGAIN COMMERCIAL AND POLITICAL CONSIDERATIONS INTERTWINE TO THE POINT WHERE YOU HAVE TO DEAL WITH BOTH. WITH REGARD TO YOUR QUESTION ON THE GROUPING OF IRON ORE COUNTRIES TO PROTECT THEIR INTERESTS. NUMBER ONE, WE RECOGNISE THAT IN AN INCREASINGLY INTERDEPENDENT WORLD THERE IS A SYNCHRONIZATION OF BUSINESS CYCLES THAT ALL NATIONS BEGIN TO MOVE UP AND DOWN TOGETHER. NOW IT IS TURE THAT IN AUSTRALIA AND NEW ZEALAND THERE IS A LAG BUT THERE IS A LAG PERHAPS OF LESSER DURATION THAN IN THE PAST AND CERTAINLY IN THE LONG RUN YOUR ECONOMIES ARE GOING TO BE INFLUENCED BY CHANGES IN THE GLOBAL ECONOMY. AND THAT SYCHRONIZATION OF BUSINESS CYCLES HAS INCREASED THE DYNAMICS OF DEMAND FOR BASIC RAW MATERIALS. AS THAT DEMAND INCREASES AND THE FLUCTUATION IN DEMAND INCREASES IT INCREASES THE FLUCTUATION IN PRICES AND THIS IS POSING A VERY SERIOUS PROBLEM FOR A VERY LARGE PORTION OF THE WORLD WHICH IS DEPENDENT ON THE EXPORT OF PRIMARY PRODUCTS. THEREFORE WE HAVE TO LOOK AT THIS PROBLEM TODAY IN A DIFFERENT WAY THAN WE WOULD HAVE LOOKED AT UNCLASSIFIED

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IT TEN YEARS AGO. WE HAVE TO RECOGNIZE THAT WE HAVE AN OBLIGATION TO SUPPORT THE CONTINUITY OF THE DEVELOPMENT PROCESS IN THE DEVELOPING WORLD, THAT INSTABILITY, POLITICAL AND SOCIAL INSTABILITY THAT IS A BY-PRODUCT OF ECONOMIC INSTABILITY IS ADVERSE TO OUR INTERESTS, THEREFORE WE HAVE TO DEVISE A NEW APPROACH WHICH COMPENSATES FOR THESE FLUCTUATIONS IN EXPORT EARNINGS, WHETHER IT IS THROUGH AN EARNINS STABILIZATION PLAN, OR WHETHER IT IS THROUGH BUFFER STOCK ARRANGEMENTS. THEREFORE THE NEGATIVE ATTITUDE THAT WE HAD TOWARDS COMMODITY AGREEMENTS THREE YEARS AGO, FIVE YEARS AGO, TEN YEARS AGO, STILL EXISTS IN PART WITHIN OUR GOVERNMENT AND THERE IS NO SECRET THAT THERE ARE

DIFFERENCES IN VIEWS WITHIN THE ADMINISTRATION. BUT,
IT IS VERY CLEAR THAT OVER THE PAST YEAR, UNDER THE
LEADERSHIP OF SECRETARY KISSINGER, WE'VE MOVED A LONG
WAY TOWARDS RECOGNIZING THAT THE COMMODITY AGREEMENTS,
THE ENCOURAGEMENT OF THE BUILD-UP OF BUFFER STOCKS
WHICH CAN BE BUILT UP WHEN DEMAND IS DOWN AND RELEASED
WHEN DEMAND EXCEEDS SUPPLY, REPRESENTS AN IMPORTANT
STEP IN DEALING WITH THIS CRITICAL ISSUE OF WIDELY
FLUCTUATING EXPORT EARNINGS. SO WE ARE MOVING I THE
DIRECTION OF ACCEPTING THE IDEA OF COMMODITY AGREEMENTS.
THERE ARE MANY THINGS THAT WE THINK ARE WRONG WITH THE
PROPOSALS THAT HAVE COME FROM THE G77 BUT IN PRINC-
IPLE WE ARE PREPARED TO LOOK AT ANY COMMODITY INCLUD-
ING IRON ORE, COPPER, BAUXITE, SOME OF THE IMPORTANT
EXPORT PRODUCTS FROM YOUR COUNTRY AND ARE PREPARED TO
LOOK AT IT IN TERMS OF MODIFYING THE WAY IN WHICH THE
FREE MARKET WOULD

UNDER CIRCUMSTANCES WHICH MAKE
IT UNACCEPTABLE IN TERMS OF EARNINGS FLUCTUATION OF
THE DEVELOPING COUNTRIES THROUGHOUT THE WORLD.

Q: COULD I ASK A TWO-PART QUESTION BOTH QUITE UNRELATED
BUT THE FIRST RELATES TO ANZUS.
WAS THERE ANY NEW DEVELOPMENT IN THE ANZUS DISCUSSIONS
THAT YOU HAVE ANNUALLY THAT HAS COME OUT OF THIS,
PARTICULARLY WAS THERE ANY SUGGESTION OF A "THREAT"
SITUATION DEVELOPING IN THIS PART OF THE WORLD AND IF
SO WHAT IS THE UNITED STATES VIEW ON THAT AND QUITE
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SEPARATELY AS YOU SPOKE IN YOUR SPEECH ABOUT INVESTMENT
IS THERE ANY RESENTMENT IN THE U.S. OVER THE INVESTMENT
CURBS THAT HAVE BEEN PUT ON THIS COUNTRY IN RECENT

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AMEMBASSY MANILA IMMEDIATE

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MANILA PLEASE PASS TO DEPUTY SECRETARY ROBINSON'S PARTY

A: THE COMMUNIQUE ANNOUNCING THE RESULTS OF THE TWO-

DAY ANZUS MEETING WILL COME UP LATER THIS AFTERNOON SO I AM NOT FREE TO DIVULGE WHAT WILL BE IN THAT COMMUNIQUE, OTHER THAN TO SAY THAT I DON'T THINK YOU WILL BE SURPRISED. YOU COULD PROBABLY HAVE ALL PRETTY WELL WRITTEN IT. I THINK THAT THE CHANGES OR THE NEW DEVELOPMENTS AT THIS MEETING WERE RELATED MORE TO CHANGES IN THE INTERNATIONAL PICTURE AND THERE WAS EVIDENCE OF A GROWING RECOGNITION OF THE IMPORTANCE OF CO-OPERATIVE EFFORTS ALONG THE LINES THAT WERE SUGGESTED EARLIER THAT PERHAPS ECONOMIC CONSIDERATIONS WILL BE MORE IMPORTANT, OR AT LEAST AN IMPORTANT ELEMENT IN OUR OVER-ALL CONSIDERATION OF STRATEGIC PROBLEMS. THERE ARE OBVIOUSLY SOME TRENDS THAT WOULD INFLUENCE OUR THINKING. THE SUDDEN PROLIFERATION OF NEWLY INDEPENDENT ISLAND GROUPS IN THE PACIFIC; THE GROWING INFLUENCE AND STRENGTH OF THE SOVIET NAVAL POWER, NUCLEAR PROLIFERATION, WHICH HAS BEEN ENCOURAGED BY THE ENERGY CRISIS WHICH LED ALL OF THE INDUSTRIALIZED NATIONS OF THE WORLD TO THE CONCLUSION THAT WE SHOULD ENCOURAGE THE USE OF

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NUCLEAR POWER THROUGHOUT THE WORLD TO REDUCE THE DEPENDENCE ON OIL AND GAS WHICH HAS FINITE RESERVES. ALL OF THESE HAVE BROUGHT ABOUT A CHANGE IN THE STRATEGIC PROBLEMS OF THIS AREA: THE INCREASING STRENGTH OF THE SOVIET UNION IN THE INDIAN OCEAN, THE DEVELOPMENT OF BERBERA IN SOMALIA AS A VERY IMPORTANT NAVAL BASE AND PERHAPS IN THE NEAR FUTURE AN IMPORTANT AIR BASE. ALL HAVE BROUGHT ABOUT SOME FUNDAMENTAL SHIFTS, AT LEAST INCREASES IN OUR CONCERN OVER THE AREA AND THESE WERE REFLECTED IN OUR DISCUSSION. THE SECOND PART OF YOUR QUESTION WAS ON....?

Q: INVESTMENT

A: U.S. INVESTMENT ABROAD IS UNDERGOING A CHANGE. THERE IS AN INCREASING RECOGNITION THAT THE SHARING OF THE BENEFITS ARE GOING TO HAVE TO BE ON A DIFFERENT BASIS THAN TRADITIONALLY IN THE PAST. THERE IS A RECOGNITION OF THE NEED TO CONTRIBUTE TO THE DEVELOPMENT OF TECHNOLOGY AND MANGERIAL COMPETENCE AND PERHAPS ULTIMATELY INCREASING SHARE OF NATIONAL OWNERSHIP. EACH PROJECT, EACH INVESTMENT HAS A DIFFERENT SET OF CONSIDERATIONS. BUT THERE IS A RECOGNITION THAT THIS IS TRUE. I WOULD BE LESS THAN HONEST IF I DIDN'T SAY THAT WE WERE CONCERNED WITH THE TREND OF SEVERAL YEARS AGO WHICH WE FELT WAS ADVERSE TO THE INTERESTS OF AUSTRALIA, AND WHAT WE VIEW AS A NATIONALISTIC APPROACH. IN HE LONG RUN AUSTRALIA IS A PART OF THE WORLD AND SOMEHOW WE HAVE TO DEVELOP RULES OF THE GAME THAT ALLOW YOU TO BECOME PART OF THE WORLD ECONOMY AND STILL SUPPORT THOSE POLICIES AND PRINCIPLES THAT YOU FEEL ARE NECESSARY TO DEFEND YOUR OWN NATIONAL INTEREST, WHICH IS RECOGNIZED AS APPROPRIATE AND PROPER. SO IN SUMMARY I DON'T FEEL THERE IS A RESENTMENT. THERE HAS BEEN A SENSE OF FRUSTRATION IN THE RECENT PAST BUT I FEEL THERE IS A RECOGNITION OF A NEW APPROACH AND WE SEE IN AUSTRALIA AN OPPORTUNITY TO HELP CONTRIBUTE TO YOUR DEVELOPMENT AND AT THE SAME TIME TO CREATE ATTRACTIVE INVESTMENT OPPORTUNITIES THAT SERVE BOTH OUR MUTUAL INTERESTS.

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Q: BRUCE JUDDERY, THE CANBERRA TIMES:
WHEN PRIME MINISTER FRASER WAS IN CHINA RECENTLY HE WAS REPORTED AS EXPRESSING WITH THE PRESENT CHINESE LEADERS, CONCERN THAT THE POLITICAL STABILITY OF INDONESIA, BECAUSE OF THE NATURE OF THE REGIME. DO YOU SHARE THIS CONCERN FOR THE PEOPLE OF INDONESIA AND WAS THIS DISCUSSED IN YOUR TALKS HERE, AND SECONDLY, WHAT IS THE REACTION OF THE UNITED STATES TO THE SUGGESTION THAT INDONESIA MIGHT DECLARE UNILATERALLY THAT THE WATERS OF THE ENTIRE ARCHIPELAGO, ITS OWN ENCIRCLED PROBLEM.

A: WELL. I DON'T WANT TO COMMENT ON THE VIEWS YOUR PRIME MINISTER EXPRESSED IN CHINA BUT I WILL COMMENT ON OUR FEELINGS ABOUT INDONESIA'S IMPORTANCE STRATEGICALLY. INDONESIA IS IMPORTANT ECONOMICALLY - AN IMPORTANT NATION BY VIRTUE OF ITS POPULATION AND SIZE AND ITS STRATEGIC LOCATION IN SOUTH-EAST ASIA AND WE SEEK A

CLOSER AND MORE CO-OPERATIVE RELATIONSHIP WITH INDONESIA
BECAUSE WE THINK IT
IS IN THE INTEREST OF ALL OTHER
NATIONS OF THIS AREA. WE ARE NOT SANGUINE HOWEVER, ABOUT
THE FUTURE OF INDONESIA - THEY FACE SOME VERY SERIOUS
PROBLEMS, RAPIDLY EXPLODING POPULATION, THE LACK OF
(I WANT TO BE VERY CAREFUL HOW I EXPRESS THR), BUT THE
CAPACITY TO MANAGE AND PLAN AND DIRECT THEIR ECONOMY
BECAUSE THERE ARE MANY SERIOUS ECONOMIC PROBLEMS THEY
WILL FACE IN THE FUTURE. HOWEVER WE DON'T SEE ANYTHING
IN THE IMMEDIATE PICTURE THAT WOULD INDICATE THAT
SUHARTO WASN'T AN EFFECTIVE LEADER AND WILL CONTINUE
IN THIS PRESENT GOVERNMENT, AND WILL CONTINUE IN POWER,
AND WE OF COURSE, WILL RELATE TO INDONESIA ON THE
BASIS OF THAT ASSUMPTION. WITH REGARD TO M E DECLARATION
OF THE WATERS IN THAT AREA AS THEIR PROPERTY OR THEIR
TERRITORIAL RIGHT; WE ARE GUIDED BY THE POSITION THAT
WE ARE TAKING IN RELATION TO THE LAW OF THE SEA
NEGOTIATION WHICH IS IN PROGRESS RIGHT NOW IN NEW YORK,
AND THAT WILL, IF SUCCESSFUL, IF NOT AT THIS MEETING,
THAT SUCH GOOD CONFERENCES WILL LEAD TO THE ESTABLISHMENT
OF THREE BASIC ZONES, THE TERRITORIAL AREA WHICH EXTENDS
TWELVE MILES FROM THE COAST - AN ECONOMIC AREA WHICH
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EXTENDS 200 MILES BEYOND THAT TO THE DEEP SEA BED. ANY
ACTION TAKEN BY ANY COUNTRY UNILATERALLY, WHICH IS
INCONSISTENT WITH THOSE PRINCIPLEIN WE WOULD OPPOSE, AND
THEREFORE I AM NOT FULLY AWARE OF THEIR CLAIMS, BUT LET
ME JUST SAY THAT IN PRINCIPLE IF IT IS NOT CONSISTENT WITH
THE POLICIES THAT WE ARE PURSUING AND THE GUIDELINES
WE ARE HOPING TO ESTABLISH - AND THAT OBJECTIVE
IS SHARED BY MOST OF THE INDUSTRIALIZED NATIONS OF THE
WORLD - THEN WE WOULD FIND A UNILATERAL APPROACH

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FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC IMMEDIATE 8701

AMEMBASSY MANILA IMMEDIATE

UNCLAS SECTION 4 OF 5 CANBERRA 5700

INCONSISTENT WITH THE GUIDELINES THAT WE THINK ARE
IMPORTANT FOR THE ENTIRE WORLD.

Q: MUNGO MCCALLUM, THE NATIONAL REVIEW:
AT THE WEEKEND ONE OF OUR SENIOR CABINET MINISTERS,
MR. PETER NIXON, (NOT RELATED) SAID THE COMMUNIST
TAKE-OVER IN ANGOLA WAS DUE TO THE FAILURE OF UNITED
STATES POLICY. IS THIS FAIR ASSESSMENT AND GOING ON
FROM THAT CAN YOU SEE ANY CIRCUMSTANCES IN WHICH THE
UNITED STATES MIGHT BECOME MILITARILY INVOLVED IN
SOUTHERN AFRICA?

A: ON ANGOLA, THAT IS A COMPLEX PROBLEM AND IT IS
CLEAR THAT THE SOVIET UNION AND CUBA THROUGH HAPPEN-
STANCE COMBINED WITH DESIGN, ENDED UP SUPPORTING THE
WINNING ELEMENT, THE MPLA. IT IS STILL YET UNCLEAR
AS TO THE EXTENT TO WHICH ANGOLA WILL ADOPT THE
IDEALOGY, THE PHILOSOPHY AND BE INFLUENCED OR
DOMINATED BY THE SOVIET UNION AND CUBA. THE MPLA
FACES CONTINUED SERIOUS PROBLEMS WITH THE GUERILLA
OPERATION IN THAT COUNTRY. THEY ARE FAR FROM HAVING
SECURED THE NATION AGAINST THE OPPOSITION AND I THINK
IT WILL BE SOME TIME BEFORE WE WILL KNOW THE EXTENT
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TO WHICH THEY WILL BECOME DEPENDENT UPON AND INFLUENCED
BY SOVIET AND CUBAN POLICIES. WITH REGARD TO U.S.
LXAILURE, YOU WOULD GET A STRONG, VIOLENT DEBATE ON
THAT QUESTION WITHIN THE UNITED STATES. SINCE VIETNAM WE
ARE RELUCTANT, IN FACT DETERMINED, NOT TO BECOME INVOLVED
IN ANOTHER MILITARY ACTION ABROAD. WHETHER THERE ARE
STEPS THAT WE MIGHT HAVE TAKEN TO PREVENT A "VICTORY"
OF THE SOVIET-CUBAN INTERVENTION AGAIN, IS SUBJECT TO
DEBATE. BUT I DON'T BELIEVE YOU CAN CHARACTERIZE
THAT AS FAILURE. A RECOGNITION OF A SITUATION THAT IS

STILL EVOLVING, AND THE RESULTS OF WHICH ARE STILL FAR FROM CLEAR. NOW WITH REGARD TO SOUTHERN AFRICA I WAS

WITH SECRETARY KISSINGER ON A TRIP THROUGHOUT AFRICA RECENTLY - IN APRIL - WHERE WE VISITED ALL THE KEY AFRICAN COUNTRIES, MET WITH THEIR LEADERS, WHERE HE MADE AN IMPORTANT PRONOUNCEMENT IN LUSAKA IN ZAMBIA WHICH OUTLINKED A NEW POLICY PART OF THE UNITED STATES SUPPORTING MAJORITY RULE IN RHODESIA, BUT WITH PROTECTION OF MINORITY RIGHTS. I AM OPTIMISTIC TO BELIEVE THAT GIVEN TIME, WE'LL FIND A WAY TO BRING ABOUT REALIZATON OF THAT POLICY, AND I CAN ASSURE YOU THERE IS NO PLAN ON OUR PART TO BECOME MILITARILY INVOLVED, BUT WE ARE MAKING EVERY EFFORT TO BRING ABOUT A SATISFACTORY SOLUTION, PERHAPS IN STAGES TO THE KEY PROBLEMS IN SOUTHERN AFRICA, NAMIBIA, SOUTH-WEST AFRICA AND RHODESIA AND WE ARE DEEPLY ENGAGED IN THAT PROCESS RIGHT NOW.

Q: BRIAN TOOHEY, FINANCIAL REVIEW:

I MIGHT HAVE A TWO-PART QUESTION: CAN YOU GIVE US SOME IDEA OF WHAT ECONOMIC ISSUES WERE RAISED IN THEPAST TWO DAYS - IN PARTICULAR WHETHER YOU BROUGHT UP THE QUESTION OF AUSTRALIAN TARIFF BARRIERS WHICH ARE AMONGST THE HIGHEST IN THE INDUSTRIALIZED WORLD? AND WHETHER FROM THE POINT OF VIEW OF YOUR TALK OF INTERDEPENDENCE IT IS DESIRABLE FOR AUSTRALIA TO START LOWERING THESE, AND SECONDLY, OUR DEFENSE MINISTER WHO RETURNED RECENTLY FROM WASHINGTON, CLAIMED TO HAVE AGREEMENT ABOUT JOINT SURVEILLANCE OPERATIONS IN THE INDIAN OCEAN BETWEEN AUSTRALIAN FORCES AND AMERICAN FORCES. POSSIBLY EVEN UNCLASSIFIED

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INCLUDING AUSTRALIAN ORIONS OPERATING OFF DIEGO GARCIA. WERE ANY DETAILS OF THIS AGREEMENT MENTIONED IN THE LAST TWO DAYS AND IF NOT WHEN CAN WE EXPECT TO SEE THIS AGREEMENT FLESHED-OUT AND OPERATING?

A: WE OBVIOUSLY DEALT WITH ECONOMIC ISSURES AS I HAVE ALREADY EXPLAINED. BUT WE DEALT WITH ECONOMIC ISSUES THAT WE FELT WERE SIGNIFICANT IN RELATION TO OUR BASIC OBJECTIVES; BASIC OBJECTIVES OF THE ANZUS PACT AND THAT IS TO SEEK A CO-OPERATIVE ARRANGEMENT WHICH WILL SECURE OUR STRATIGIC AND SECURITY INTERESTS IN THIS AREA. WE DID NOT FOCUS ON SPECIFIC BILATERAL ISSUES, ON ISSUES SUCH AS THE AUSTRALIAN TARIFFS, AND I WILL NOT COMMENT ON THAT OTHER THAN TO SAY WE AGREE THAT INTERDEPENDENCE AND THE DEVELOPMENT OF A SOUND GLOBAL ECONOMY CALLS FOR PROGRESSIVE REDUCTION OF TARIFFS AND NON-TARIFF BARRIERS

AND OFTEN NON-TARIFF BARRIERS ARE MORE SERIOUS AND MORE INSIDIOUS THAN TARIFFS THEMSELVES, BUT WE DID NOT DISCUSS THAT ISSUE IN OUR MEETINGS OVER THE PAST TWO DAYS. AS FAR AS A JOINT COMMITMENT TO SURVEILLANCE IN THE INDIAN OCEAN, I THINK IT GOES WITHOUT SAYING THAT WHEN WE TALK ABOUT CO-OPERATION WE TALK ABOUT WAYS IN WHICH WE CAN INTEGRATE. OUR ACTIVITIES AND THE ACTIVITIES OF NEW ZEALAND AND AUSTRALIA TO MORE EFFECTIVELY PURSUE OUR OBJECTIVES IN THIS AREA AND SURVEILLANCE IS OBVIOUSLY WITH WHAT DEVELOPS OVER THE MONTHS AND YEARS AHEAD SO THE SERIOUSNESS IS ONE OF THREAT AND ONE OF POTENTIAL, AND HOPEFULLY THE EFFORTS THAT WE WILL TAKE, IN A CO-OPERATIVE WAY, WILL TEND TO ASSURE THAT WHATEVER INVOLVEMENT THERE IS IN THE SOVIET UNION IN THIS AREA WILL NOT BE AIMED AT AGGRESSIVE MILITARY ACTIVITY.

Q: DO YOU BELIEVE THAT THE TENSION IS REAL?

A: WELL, ALL OF YOU HAVE READ ADMIRAL GORTSHTOV, THE ADMIRAL THAT IS DESIGNING THE NAVAL FLEET AND THE POLICIES OF THE SOVIET UNION AND HIS VMOK HAS BEEN PUBLISHED AND OUTLINES PRETTY CLEARLY THEIR OBJECTIVES AND HOW THEY ARE GOING ABOUT ACHIEVEING THOSE OBJECTIVES, UNCLASSIFIED

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AND IF HE IS EVEN CLOSE TO THE TRUTH, WHICH WE HAVE TO ASSUME HE IS, THEN WE HAVE A REAL THREAT.

Q: NEW ZEALAND PRESS ASSOCIATION:
HAS THE UNITED STATES DECIDED TO INCREASE ITS AID TO THE SOUTH PACIFIC?

A: OUR TWO-DAY DISCUSSION HERE MADE US MORE SENSITIVE TO THE IMPORTANCE OF NOT ONLY MORE AID BUT MORE EFFECTIVELY APPLIED AID IN THIS PART OF THE WORLD. WE ARE CLEARLY GOING TO BE LOOKING AT THIS AS A FORD POLICY QUESTION WHICH

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ACTION EA-09

INFO OCT-01 ISO-00 EUR-12 CIAE-00 DODE-00 NSAE-00 NSCE-00

SSO-00 USIE-00 INRE-00 PM-04 H-02 INR-07 L-03 NSC-05

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A KEY ELEMENT IN THAT. HOWEVER ANZUS IS NOT A FORUM FOR NEGOTIATING SPECIFIC MILITARY ARRANGEMENT. IT IS TO ESTABLISH THE POLITICAL WILL AND TO SET THE GENERAL DIRECTION AND ANY SPECIFIC ARRANGEMENTS WOULD BE DEALT WITH THROUGH OTHER CHANNELS.

Q: PETER HARVEY, NATIONAL NINE TELEVISION NETWORK: HOW SERIOUSLY DO YOU RANK THE SOVIET THREAT IN THE PACIFIC? WHAT CAN THE UNITED STATES, AUSTRALIA AND NEW ZEALAND DO ABOUT IT?

A: WELL, A LONG-RANGE THREAT IS SERIOUS, BUT IT'S A PROGRESSIVE DEVELOPMENT. IT IS A PRODUCT OF TWO ELEMENTS, ONE, MILITARY CAPABILITY, THAT IS, THE ACTUAL EQUIPMENT CAPABILITY; AND TWO, THE WAY IT IS BASED AND SERVICED AND MAINTAINED AND TODAY THE THREAT IS LARGELY A THREAT OF SOVIET NAVAL VESSELS OPERATING IN THE AREA OUT OF SOVIET BASES. THE REAL QUESTION THAT WE FACE TODAY IS WHAT IS LIKELY TO DEVELOP IN TERMS OF A STEP BY STEP EVOLVEMENT OF A POSITION WITHIN THE SOUTH-WEST PACIFIC WHICH COULD START OUT AS SERVICING FISHING VESSELS, UNCLASSIFIED

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FOR EXAMPLE, AND OBVIOUSLY WE HAVE TO BE CONCERNED WILL REQUIRE CAREFUL REVIEW AND CONTUING STUDY, BUT WE DID NO MAKE ANY COMMITMENT NOR IS THIS THE FORM IN WHICH THAT KIND OF A COMMITMENT WOULD BE MADE. HARGROVE

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